

105TH CONGRESS  
1ST SESSION

# S. 979

To provide a tax credit to families with elderly family members living in the family home.

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IN THE SENATE OF THE UNITED STATES

JUNE 27, 1997

Mr. SPECTER introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To provide a tax credit to families with elderly family members living in the family home.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. CREDIT FOR TAXPAYERS WITH CERTAIN EL-**  
4                       **DERLY FAMILY MEMBERS IN THEIR HOUSE-**  
5                       **HOLDS.**

6       (a) IN GENERAL.—Subpart A of part IV of sub-  
7       chapter A of chapter 1 of the Internal Revenue Code of  
8       1986 is amended by inserting after section 25A the follow-  
9       ing new section:

1 **“SEC. 25B. CREDIT FOR TAXPAYERS WITH CERTAIN ELDER-**  
 2 **LY FAMILY MEMBERS IN THEIR HOUSE-**  
 3 **HOLDS.**

4 “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
 5 dividual who maintains a household which includes as a  
 6 member one or more qualified persons, there shall be al-  
 7 lowed as a credit against the tax imposed by this chapter  
 8 for the taxable year an amount equal to \$2,500 for each  
 9 such person.

10 “(b) QUALIFIED PERSON.—For purposes of this sec-  
 11 tion, the term ‘qualified person’ means any individual—

12 “(1) who is a father or mother of the taxpayer,  
 13 his spouse, or his former spouse or who is an ances-  
 14 tor of such a father or mother,

15 “(2) who has attained the age of 65 before the  
 16 close of the calendar year in which the taxable year  
 17 begins,

18 “(3) who has as his principal place of abode for  
 19 more than half of the taxable year the home of the  
 20 taxpayer, and

21 “(4) whose name and TIN are included on the  
 22 taxpayer’s return for the taxable year.

23 For purposes of paragraph (1), a stepfather or stepmother  
 24 shall be treated as a father or mother.

1       “(c) SPECIAL RULES.—For purposes of this section,  
 2 rules similar to the rules of paragraphs (1), (2), (3), and  
 3 (4) of section 21(e) shall apply.

4       “(d) DENIAL OF DOUBLE BENEFIT.—No deduction  
 5 shall be allowed to any taxpayer under section 151 for any  
 6 taxable year with respect to any qualified person if a credit  
 7 is allowed under this section to the taxpayer with respect  
 8 to such person.”

9       (b) CLERICAL AMENDMENT.—The table of sections  
 10 for subpart A of part IV of subchapter A of chapter 1  
 11 of such Code is amended by inserting after the item relat-  
 12 ing to section 25A the following new item:

“Sec. 25B. Credit for taxpayers with certain elderly family mem-  
 bers in their households.”

13       (c) EFFECTIVE DATE.—The amendments made by  
 14 this section shall apply to taxable years beginning after  
 15 December 31, 1997.

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